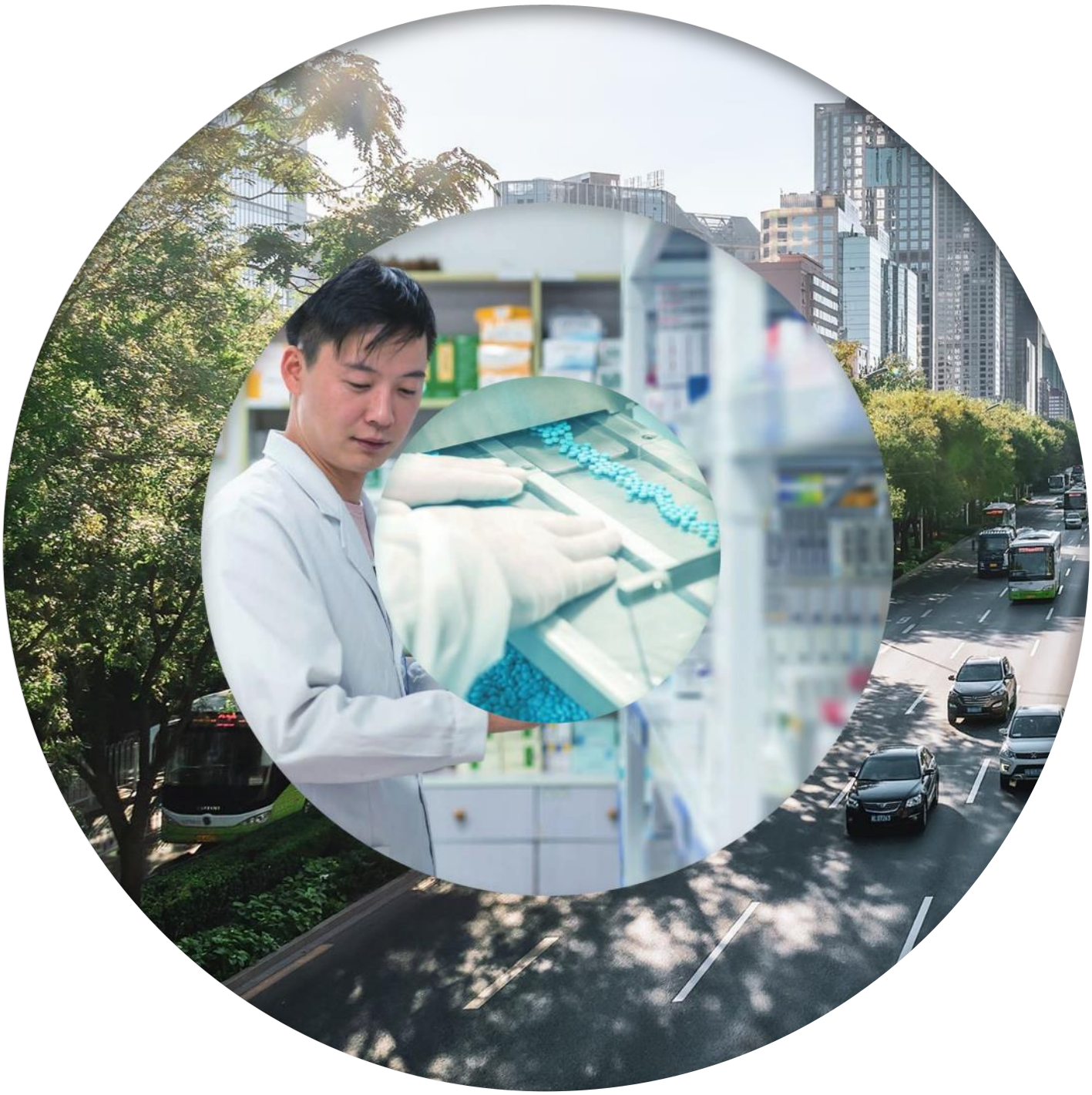
HUTCHMED

2021 SUSTAINABILITY REPORT



HUTCHMED (CHINA) LIMITED

和黃醫藥（中國）有限公司

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
HKEX: 13 | Nasdaq: HCM | AIM: HCM

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ABOUT HUTCHMED

Our Business Model and Market

HUTCHMED (China) Limited (hereafter referred to as "HUTCHMED" or the "Company") is an innovative, commercial-stage, biopharmaceutical company. We are committed to the discovery and global development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases.

HUTCHMED has two business segments:

- The Oncology/Immunology segment has been driving the creation, development and production of our portfolio of targeted therapeutics and immunotherapy drug candidates since the early 2000s. Since 2020, this segment has also been driving the marketing and distribution of our oncology drugs. This segment had over 1,500 staff at year end and has continued to grow significantly in 2022.

  Within Oncology/Immunology, our R&D operations employed over 800 scientists and staff at year end, primarily in Shanghai, China and in Florham Park, New Jersey, USA. As of the end of 2021, 12 cancer drug candidates discovered by us entered clinical trials, of which six were in global clinical development. Our success in discovery led to development collaborations with leading global pharmaceutical companies such as AstraZeneca and Eli Lilly.

  In China, our strategy is to leverage the marketing and selling experience, hospital access and best practices of our Other Ventures as we grow our dedicated oncology-focused commercial team, enabling the launch of our in-house discovered, innovative oncology products. Within Oncology/Immunology, our commercial operations employed over 600 staff at the end of 2021. In January and July 2021, our second and third oncology drugs were launched in China.

- The Other Ventures segment is a profitable platform that manufactures, markets and distributes prescription drugs and consumer health products in China. The prescription drugs business is conducted through our joint ventures Shanghai Hutchison Pharmaceuticals Limited ("SHPL") and Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Company Limited ("Hutchison Sinopharm"). We nominate the management and run the day-to-day operations of these ventures. Together they form a network of about 2,900 medical sales representatives that cover about 290 cities and towns in mainland China.

  The successful operation of both segments relies on the support of our business partners, including suppliers, vendors, agents, contractors, joint venture partners and representatives. The quality, delivery and responsiveness of our business partners is of paramount importance. They are also our partners in promoting social responsibility and ethical business conduct throughout our operations.

Corporate Strategy

The primary objective of the Company is to become a fully integrated global leader in the discovery, development and commercialization of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases. The strategy of the Company is to leverage the highly specialized expertise of the drug discovery division, known as the Oncology/Immunology operations, to develop and expand the drug candidate portfolio of the Group for the global market while also building on the first-mover advantage in the development and launch of novel cancer drugs in China.

MESSAGE FROM OUR CHAIRMAN

As a leading biopharmaceutical company going global, we are committed to sustainable business and social development. In 2021, we stepped up our efforts in sustainability governance by establishing the Board-level Sustainability Committee and strived to incorporate sustainability considerations into our decision-making process across all business units as we scale up our core businesses. Throughout the year, we demonstrated our commitment to putting sustainability at the core of how we operate. We believe that creating value for our stakeholders is key to long-term success and this belief is the premise upon which we formulate our business strategies and sustainability approach.

We strive to understand our stakeholders' views and expectations towards the Company. Our Board is also committed to identifying the Group's material sustainability issues relevant to our business and continues to oversee our sustainability performance. Six key sustainability topics were identified as material to our operation, including business ethics, drug research, drug development, responsible commercialization, talent management and environmental protection. These matters have formed the basis for this Report, which is prepared with reference to the environmental, social and governance ("ESG") reporting guidelines of the three exchanges, namely the HKEX, the Nasdaq, and the London Stock Exchange Group.

We also strive to work and collaborate with our stakeholders to bring value to different parties. For example, our Clinical Development teams work closely with our business partners to ensure the safety and ethical conduct of our clinical trials, and our laboratories have earned accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care, or AAALAC, for our conscientious handling of animals. To promote access to our drugs, we have built an in-house oncology sales and marketing team and formed partnerships with other pharmaceutical companies to build an extensive, shared distribution network. I am particularly pleased with the successful launch of our ORPATHYS® Patient Access Program in 2021, which benefited over 120 patients and saved over RMB 5 million in treatment costs over the course of three months.

Looking forward, we are determined to drive the sustainable development of the Group while working towards the purpose of serving unmet medical needs worldwide. We will continue our efforts in facilitating discussions regarding relevant sustainability issues and opportunities, including actively looking into setting our own sustainability targets and goals. We will also continue to engage our stakeholders in our sustainability journey and identify areas for improvement to building a more sustainable and responsible future.

Simon To
Chairman
May 2022

ABOUT THIS REPORT[1]

Overview

This Report gives an annual update of HUTCHMED's sustainability performance during 2021, including a comprehensive account of HUTCHMED's sustainability management approaches over topics identified as material to HUTCHMED's business and stakeholders relating to the operations of the two segments: (1) Oncology/Immunology and (2) Other Ventures.

Details of our corporate governance principles are contained in the Corporate Governance Report within our 2021 Annual Report. This Report should be read in conjunction with our 2021 Annual Report and sustainability-related policies, which are available on our website.

The Board of Directors of the Company (the "Board") regularly tracks our progress towards sustainability and acknowledges its responsibility to ensure the integrity of the Report. This Report was endorsed by the Sustainability Committee and approved by the Board in May 2022.

Reporting Framework

This Report has been prepared in accordance with the provisions of the ESG Reporting Guide (Main Board Listing Rules Appendix 27) ("ESG Guide") issued by The Stock Exchange of Hong Kong Limited ("HKEX"). To give a more comprehensive picture of the Group's sustainability approach, this Report was also prepared with reference to the Nasdaq ESG Reporting Guide, the London Stock Exchange Group's ESG Reporting Guidance, as well as mapped against the United Nations Sustainable Development Goals ("SDGs").

Reporting Boundary and Preparation[2]

This Report covers the Company's Oncology/Immunology segment, including our commercial and research and development operations in the U.S.; and the Other Ventures segment, including the material subsidiary Hutchison Sinopharm, and the non-consolidated joint venture SHPL. All entities included within the scope of this Report will be collectively referred to as "the Group".

The content and data contained in this Report were collected by the Working Group of the Group with representatives from various departments. This Report has been prepared after seeking professional consultation. Unless specified, this Report covers the year from January 1, 2021 to December 31, 2021.

Feedback

We value your opinions on our sustainability performance and strategies. Please leave us your comments via the following email: info@hutch-med.com.

[1] MDR14
[2] MDR15

SUSTAINABILITY GOVERNANCE

Board Statement[3]

The Board owns the overall responsibility for sustainability issues and their integration into the Company's strategy and long-term development. It oversees sustainability performance of the Company with material sustainability matters and performance indicators, together with trends, risks and opportunities that may have impact to the business and development of the Company. The Board guides the management of sustainability matters and the formulation of sustainability strategy with the recommendation of the Sustainability Committee and the Working Groups that support it.

The Board is also responsible for the oversight of the risk management, including the management of climate-related risks. To accomplish business objectives, the Board conducts regular risk identification, analysis and reviews management processes including its design, implementation and monitoring throughout the year with the assistance of the Audit and Sustainability Committees.

Governance Structure

We firmly believe that a sound and effective governance structure helps ensure that we can meet the expectation of our key stakeholders while attaining long-term sustainable growth. The Company's sustainability development is coordinated by the Sustainability Committee, with the oversight from the Board and the support from Working Groups.

Board of Directors

The Board of Directors provides oversight of sustainability strategy, reporting and risk management framework. Led by the Chairman, it is actively engaged in the formation and implementation of corporate social responsibility (CSR) and sustainability strategy with a view to the long-term development of the Company.

The Board is also responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. It also ensures ongoing effective communication with shareholders and engagement with key stakeholders as it develops the purpose and values of the Company. The Board makes decisions in the best interests of the Company with due regard to sustainability considerations.

In 2021, each director of the Board received an average of 11 hours of training, covering the areas of corporate governance, and risk management and sustainability practices.

Sustainability Committee

The Sustainability Committee (the "Committee"), formed in July 2021, advises the board of directors and oversees management on the development and implementation of the CSR and sustainability initiatives of the Company. In accordance with its terms of reference, the Committee meets at least twice a year and is responsible for reviewing and evaluating actions taken by the Company in furtherance of the CSR and sustainability priorities and goals. The Committee reviews and reports to the Board on sustainability risks and opportunities, and recommends to the Board on the Company's CSR and sustainability objectives, strategies, priorities, initiatives, goals, as well as sustainability disclosures.

In the latter half of 2021 (after the establishment of the Committee), the Committee held one meeting with 100% attendance to review the future sustainability initiatives with respect to employees, customers, the community, and the environment. It also received and recommended the Sustainability Report 2020 of the Company to the Board for approval.

[3] MDR13

Name of Member	Position	Attended/ Eligible to attend
Edith Shih (Chairman)	Non-executive Director and Company Secretary	1/1
Cheng Chig Fung, Johnny	Executive Director and Chief Financial Officer	1/1
Christian Lawrence Hogg Note 1	Executive Director and Chief Executive Officer	1/1
Mok Shu Kam, Tony	Independent Non-executive Director	1/1

Note 1: Retired on March 4, 2022

Working Group

The **Working Group** comprises members from diverse backgrounds representing a broad spectrum of experience across our operations.

It aims to embed sustainability into existing practices and ensures that sustainability is effectively integrated into our operations by presenting the development of the business strategy and planning processes. It monitors a vast range of sustainability issues and updates the Sustainability Committee on emerging risks and opportunities across a broad spectrum of disciplines. For example, at each operational entity, we established Environmental, Health and Safety ("EHS") Teams to implement workplace safety measures and avoid harmful environmental releases. These teams are spearheaded by the sites' senior management to ensure our commitments to creating a healthy work environment are met. The Working Group also facilitates corporate sustainability disclosures and identifies areas for improving operational performance.

Corporate Culture

Our corporate culture and strategic direction are underpinned by the core values of acting lawfully, ethically, and responsibly across all levels of the Group. The desired culture is developed and reflected consistently in the operating practices and policies of the Group, as well as its relations with stakeholders. Board oversight of the culture of the organization encompasses a range of measures and tools, including employee engagement, retention and training, robust financial reporting, whistleblowing, data privacy and security and legal and regulatory compliance (including compliance with the Code of Ethics and other Group policies), as well as staff safety, wellbeing and support.

Risk Management

The Board has overall responsibility for the Group's systems of risk management, internal control, and legal and regulatory compliance. The Board evaluates and determines the nature and extent of the risks (including sustainability risks) that the Company is willing to accept in pursuit of its strategic and business objectives. In addition, the Board inculcates risk culture across the business operations of the Group and has put in place a comprehensive range of policies and systems, including parameters of delegated authority, which provide a framework for the identification, reporting and management of risks. It also reviews and monitors the effectiveness of the systems of risk management and internal control on an ongoing basis.

Risk management is integrated into the day-to-day operations of the Group, and is a continuous and proactive process carried out at all levels. Coupled with a strong internal control environment, the Group is committed to effectively managing the risks it faces by adopting an Enterprise Risk Management ("ERM") framework based on the COSO (the Committee of Sponsoring Organizations of the Treadway Commission) model.

The ERM framework facilitates a systematic approach in identifying, assessing and managing risks within the Group. There are ongoing dialogues between the Executive Directors and the management team of each core business division to assess the plausible impact of current and emerging risks and their mitigation measures so as to institute additional controls and deploy appropriate insurance instruments, such as Directors' and Officers' Liability Insurance, in minimizing or eliminating potential financial, compliance or other risks to the Group's businesses.

The Group adopts a "top-down and bottom-up" approach with respect to formal risk review and reporting. Such approach involves regular input from each core business unit as well as discussions and reviews by the Executive Directors. On a half-yearly basis, each core business unit is responsible for formally identifying the significant risks their business faces and considering the likelihood of occurrence and potential impact to the business, whilst the Executive Directors provide input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress. For

details, please refer to the Corporate Governance Report within our 2021 Annual Report.

Sustainability-related Policies

With reference to local and international guidelines and standards on sustainability, we have formulated a series of sustainability and governance policies and statements. All members of the Group must comply with and implement such policies and statements, to promote the sustainable development of the Group. Details of each policy can be found on our website[4]. The major sustainability-related policies are outlined as follows.

Sustainability Policy

This Policy outlines the Group-wide sustainability approach and priorities from the perspectives of the Group to implement sustainability practices across its operations. All members of the Group are required to consider local sustainability initiatives and programs based on local needs. They should also request those representing them, such as consultants, agents and independent contractors, to agree to follow the Group's sustainability policy and practices. Sustainability practices are embedded across all operations of the Group, and form the bases upon which the Group manages its business, its people and outside parties.

Anti-Bribery and Anti-Corruption Policy[5]

This Policy outlines the Group's zero-tolerance stance against bribery and corruption, assists employees in recognizing circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each business unit is required to report any actual or suspected incident of bribery, corruption, theft, fraud or similar offences.

Environmental Policy[6]

This Policy applies across the Group's operations and represents a key part of the Group's ongoing efforts to achieve efficient processes across its operations and manage its environmental impact. The Group also encourages its suppliers, business partners, and where applicable, its customers, to respect the practices outlined in this Policy, with a goal of furthering their own efforts at environmental stewardship.

Human Rights Policy[7]

This Policy is guided by international human rights principles encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Human Rights and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work. In addition, the Group also respects the international human rights principles under the United Nations Guiding Principles on Business and Human Rights. This Policy applies to all members of the Group. The Group expects its business partners and suppliers to uphold these principles and urges them to adopt similar policies within their own businesses.

Health and Safety Policy[8]

This Policy outlines our commitment to offering a safe and secure environment for our employees, customers and other stakeholders when they are at Group facilities and premises. The Group's corporate security standard is applicable to all premises and sets out minimum requirements on fire safety, air quality, business travel, hygiene and other related matters.

Modern Slavery and Human Trafficking Statement

This Statement outlines our commitment to ensuring that there is no slavery or human trafficking in any part of its business or in its supply chains. We are committed to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in its supply chains.

[4] Our Sustainability policies are available on our website from 2022 onwards
[5] B7 Anti-corruption; G6.1
[6] A1 Emissions; A2 Use of Resources; A3 The Environment and Natural Resources
[7] B4 Labor Standards
[8] B2 Health and Safety; S8

STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS

Stakeholders' interest is an integral part of our sustainability strategy. We maintain an ongoing, open, and transparent dialogue with different stakeholders to better understand and meet their expectations.

Our stakeholders are grouped into five categories and are engaged throughout the year via various communication channels. With the stakeholder engagement activities, we have identified the six key material sustainability topics relevant to our business and vital for our long-term development.

Featured Engagements

Communication channels	Results of engagement
Customers (healthcare professionals and patients)	
• In-person visits • Post-conference research • Social media platforms • Meetings with our collaboration partners, including AstraZeneca plc and Eli Lilly • Customers' Access to the National Reimbursement Drug List ("NRDL") • Patient assistance programs • Support during the pandemic	• Communicated with key opinion leaders, physicians and patients to collect feedback and respond to the needs of customers, including implementing clinical guidelines for customers to make informed decisions • Established a patient education program to raise awareness of diseases prevention and treatment • Rolled out a series of programs to build and strengthen doctor-patient relationships • Continued to contribute to the development of certified chest pain centers in about 1,500 hospitals in cooperation with the China Cardiovascular Health Association since 2017 • Took into consideration customers' views into the Company's decision-making process

STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS

Communication channels	Results of engagement
Shareholders	
• Annual reports • Interim reports • Annual general meetings • In-person & video briefing meetings • Roadshows • Conference calls • Presentations • Stock exchange announcements • Press releases • Company websites • Direct outreach via emails • Dedicated section on sustainability within our result announcements	• Enhanced management's understanding of market and shareholders' expectations • Identified issues that are important to our shareholders • Enhanced communication with shareholders, including articulation of the Company's position and strategy, its understanding of the industry environment, and the rationale for business decisions • Views of shareholders were taken into consideration by the Board when formulating the Company's strategy and reviewing operational performance • Identified growth opportunities to strengthen our footprint
Suppliers	
• Virtual or in-person meetings • Onsite investigation / quality inspection • Audits • Improvement programs	• Maintained a systematic and robust supplier management system • Encouraged suppliers to follow the Company's practices, values and behaviors • Monitored suppliers by quality inspections to ensure product quality • Worked with our partners to continually improve not only in product quality and delivery, but also social responsibility and ethical compliance
Community	
• Community projects • Volunteer activities	• Enhanced communication channels and planned for regular community engagement activities • Increased transparency on sustainability performance
Employees	
• Senior leaders Town Hall Meetings • Cross-functional team building events • Community services • Employee engagement survey • Intranet • Company website	• Improved staff incentives and benefits • Improved the health and safety measures in our workplace • Encouraged two-way communication between employees and senior management • Enhanced employee learning channels by introducing an e-learning platform • Complied to labor-related laws and regulations • Rolled out a series of special measures during pandemic to keep employees safe

Materiality Assessment[9]

Stakeholder engagement not only enables us to obtain valuable insights on the issues our stakeholders consider to be most important and relevant to our business but also helps enhance our disclosure quality. The feedback collected from internal and external stakeholder engagement activities was reviewed, organized and analyzed in a materiality assessment to help ensure our efforts are focused in the right areas, stay up-to-date on the latest sustainability landscape, and understand and prioritize issues that align with the interests and needs of our stakeholders as well as the Company.

This year, our materiality assessment approach included undertaking an in-depth benchmarking exercise to understand industry approaches and best practices in sustainability disclosure. We also considered internal and external analyses and reviewed issues identified in last year's sustainability report, industry trends as well as international and local sustainability reporting frameworks such as the HKEX ESG Reporting Guide, the Nasdaq ESG Reporting Guide, and the London Stock Exchange Group's ESG Reporting Guide.

A list of six priority topics was identified, reviewed, and validated during the year. The Board discussed and confirmed that the list of material topics remains significant to HUTCHMED and its stakeholders for the year 2021.

Our Material Topics

Material topics	Reference sections in this Report
Business ethics, including staff and partner awareness	• Business Ethics
Drug research-related topics, including animal welfare and intellectual property	• Research & Development • Intellectual Property
Drug development-related topics, including clinical trial safety and personal data privacy and security	• Research & Development • Data Privacy and Security
Commercial operations responsibilities, including quality, safety and traceability; patient monitoring and reporting; responsible marketing; and fair access of drugs	• Responsible Commercialization • Availability and Fair Access of Drugs
Environmental topics including waste and emissions	• The Environment
Management of our people, including talent acquisition, retention, development and engagement; occupational health and safety; and community investment	• Human Capital Management

[9] MDR14

BUSINESS ETHICS

Integrity is of paramount importance to our core values. It lays the foundation for our business and creates value for all stakeholders. Led by the Board, we are committed to upholding high ethical standards with all applicable laws and regulations in the locations where we operate, guiding our conduct, transactions and dealings. We have established comprehensive systems and policies across all levels of the Group to ensure robust ethics and regulatory compliance throughout the organization. We also foster collaborations with suppliers to ensure good corporate governance and ethical operation in the value chain.

Our actions support the following SDG:

Code of Conduct and Anti-Corruption[10]

Employees are expected to maintain the highest level of ethical conduct and integrity as set out in the standard of behavior for all employees in a number of policies.

We have zero tolerance for corrupt practices and strictly prohibit any behavior of corruption, fraud, blackmail, misuse or misappropriation of the Company's assets. A Group-wide Anti-Bribery and Anti-Corruption ("ABAC") Policy is in place as the guideline to implement the aforementioned core values. Our ABAC Policy clearly defines which actions constitute bribery and corruption and are prohibited. It governs the actions of our employees regarding political and charitable contributions, facilitation payments, gifts, hospitality, employment and procurement. During the ordinary course of business, special care may be required when dealing with government or public officials as often the government official's country will have laws and requirements governing their actions. Our employees are vigilant of any risk of unlawful business conduct to avoid damaging our reputation and relationships with business partners.

In conjunction with our ABAC Policy, we maintain a Code of Ethics. These guiding principles inform directors and employees of our Group and customers, investors, governmental authorities and the general public about our expectations regarding conflicts of interest, fair dealing and integrity, discrimination and harassment, bribery and confidentiality, and other issues.

Additionally, we have further control over inside information and any misbehavior of our employees, through the Policy on Handling of Confidential and Price-sensitive Inside Information, and Securities Dealing. Detailed procedures to handle price-sensitive inside information, disclosure obligations of internal control are covered in the policy.

Employee awareness

To ensure proper implementation of the ABAC Policy, Code of Ethics, and other relevant policies, we require all employees to make an annual declaration of adherence to demonstrate their commitment towards responsible business conducts. We also ensure that our employees have timely access to new information on our ABAC commitment and other regulatory and compliance information. This includes bribery and corruption risks, laws, regulations and standards in the area where we operate, communicated through internal email distributions, intranet, promotional articles, and other relevant means of communications.

To raise employee awareness, we provide business ethics training for our staff members. In 2021, a total of around 12,000

[10] B7 Anti-corruption; G6.1

hours of training were provided to directors and employees on our Code of Ethics and ABAC Policy. Employees are also regularly trained with the skills and knowledge to identify potential fraud and corruption activities, as well as proper management of interactions with external parties.

Anti-corruption training[11]

Employee category	Percentage of employees who received training
Directors	100%
Staff	100%

Our compliance teams monitor adherence to our ABAC Policy and Code of Ethics. Breaches and cases of non-compliance are handled seriously and may ultimately result in termination of employment or contract.

Our Human Rights Approach[12]

HUTCHMED takes protecting the human rights of all our people seriously. Our Human Rights Policy and Modern Slavery and Human Trafficking Statement guide our actions to respect and promote human rights and ensure there is no slavery or human trafficking in any part of our business or in our supply chains. Respect for human rights is a fundamental value of the Group. Use of all forms of child or forced labor in any of our operations are strictly prohibited and we expect our business partners to uphold the same values and principles.

At HUTCHMED, it is every employee's responsibility to maintain a work environment that reflects respect for human rights and is free from all forms of discrimination and harassment owing to their gender, disability, family status, race, age or sexual orientation. A set of rigorous recruitment and procurement procedures has been established to safeguard our commitments. Relevant requirements are also communicated to all employees through the provision of training in induction programs and policy manuals.

Data Privacy and Security[13]

It is our responsibility to safeguard the Company's information as well as the information entrusted to us by others. The secure storage of financial and clinical data relies upon comprehensive data management procedures and policies. We have established a dedicated Personal Data Governance Framework to ensure our activities are in strict compliance with applicable laws of the country, region or local areas in which we conduct our business, as well as information security policies and contractual obligations related to data privacy and security. Part of that framework is adopted from our Information Security Policy and Policy on Personal Data Governance which serve to provide guidelines to monitor and maintain high information technology ("IT") and data security standards to preserve the integrity of information and prevent unauthorized access and disclosure.

To ensure the integrity of computerized systems to store information used in our clinical trials, standard operating procedures ("SOPs") on the control and operation of the systems and their associated electronic records are in place to ensure compliance to all applicable regulations as well as requirements of Good Clinical Practices ("GCP"), Good Pharmacovigilance Practices ("GVP"), and Good Laboratory Practices ("GLP"). These procedures cover the computerized systems' lifecycle, including concept, development, testing, release, maintenance, and retirement, and ensuring system integrity through change management, periodic assessment, and incident management.

We are committed to conducting regular internal and external reviews of information technology systems to ensure zero data leakage over the course of business. Hardware and software are maintained and upgraded where necessary. Our Information Security Policy has clearly defined the procedures to properly handle the creation, communication, storage, transmission and destruction of all different types of information. It also states the responsibility of our employees in the protection of information.

To further enhance our control over data privacy, a cyber incident response plan is in place to address potential threats from data leakage. Management of related risks also includes periodic risk assessments to determine the effectiveness of controls, procedures in the event of information incidents, contingency measures, and regular drills. We also adhere to best-practice cybersecurity guidelines published by the National Institute of Standards and Technology ("NIST").

The Policy on Personal Data Governance sets out the framework of policies and procedures that different departments should

[11] KPI B7.3
[12] KPI B4.1; KPI B4.2; S9.1; S10.1
[13] KPI B6.5; G7.1

abide by. Specific guidelines regarding customer or employee personal data will be addressed to the relevant departments, such as Marketing and Human Resources. In 2021, no significant data leak was observed or recorded.

Intellectual Property[14]

Our success in discovering and developing drugs relies upon our ability to protect the drug candidates from competition. We continue to strengthen our intellectual property ("IP") management by establishing the Intellectual Property Handbook. The handbook details the procedures to monitor and maintain the IP management system, such as regular maintenance of the infrastructure and registering and re-licensing of patents, and clearly defines the responsibilities of each party over the use of IP. The handbook also lists possible corrective measures to prevent unauthorized use of third-party IPs. Employees are required to stay alert for any misuse of IP rights and report to the Intellectual Property Management team.

In case of any IP infringement over our IPs, we will consult with legal experts to guide our protection strategy, including confidentiality and non-competition agreements, registration of intellectual property rights, and defense of claims. The findings of infringement will also be reported to the management to assess the potential reputational risk. Further legal actions will be taken if the misuse of our IP continues. Conversely, we respect the intellectual property rights of others and ensure that we do not infringe on these rights.

As of December 31, 2021, we had 270 issued patents, including 21 Chinese patents, 24 U.S. patents, 14 European patents, 184 patent applications pending in the above major market jurisdictions, and 13 pending Patent Cooperation Treaty ("PCT") patent applications relating to the drug candidates of our Oncology/Immunology operations. Additionally, our Other Ventures collectively had 60 issued patents and 37 pending patent applications in mainland China.

We also conduct our business using trademarks, including "HUTCHMED", "ELUNATE® , SULANDA®, and others. To protect these brands and to serve as the deterrent to counterfeits, we filed for trademark registrations in various jurisdictions, including Hong Kong, mainland China, the US, UK, European Union, and other regions. Currently we have a portfolio of over 400 registered trademarks, and it is expanding. In addition, our joint venture SHPL also owns a total of 12 trademarks related to its products in mainland China. These trademarks protect its well-known brand, "Shang Yao".

Whistleblowing[15]

As integrity plays a significant role in our business, we have established clear Complaints Procedures to monitor and avoid business misconduct. Employees or business partners can report any potential non-compliance with our codes, policies, relevant laws and regulations through these complaints procedure. Measures to safeguard the identity and information of the whistleblower and all whistleblowing reports are handled confidentially to protect the whistleblower from unfair treatment.

Upon receipt of complaints or concerns, a dedicated department, Group Management Services, will be responsible for handling the complaint. The General Manager of the department is responsible for ensuring proper steps have been taken to determine the nature, people involved and to assess any potential reputational risks. Once anomalies are identified, the findings are reported to the Audit Committee who will be responsible to lead appropriate corrective steps to promptly resolve the matter. The findings are reviewed and discussed during Audit Committee meetings, and the final report will be provided to the Chairperson, CEO and Company Secretary. In 2021, no cases of non-compliance with our codes and policies, or of any violations of applicable laws and regulations were found.[16]

[14] KPI B6.3

[15] KPI B6.1; KPI B6.2; KPI B7.1;KPI B7.2

[16] KPI B7.1; G6.2

THE ENVIRONMENT[17]

HUTCHMED recognizes that our efforts towards environmental stewardship need to be continuously improved to grow our business sustainably. Our Sustainability Policy, Environmental Policy, as well as a dedicated EHS Team (please refer to Sustainability Governance and Human Capital Management sections for more details) serve to demonstrate our commitment towards environmental protection and sustainable development. We strive to practice sustainable operations, minimize environmental impact, and drive behavioral changes within our corporation and those of our suppliers.

We abide by relevant national and regional environmental laws and regulations in mainland China, Hong Kong and other locations in which we operate. We closely monitor and manage our environmental performance to ensure required standards are met and strive to minimize our impact to protect the nearby natural habitats and communities.

Relevant policies and internal guidelines are in place to construct a culture of environmental management within the head office and subsidiary levels. Our joint venture SHPL has obtained ISO 14001 certification (environmental management) and ISO 50001 certification (energy management), illustrating our commitment to environmental protection.

The Company also adopts 'the three parallels', a management strategy that requires the inclusion of measures to prevent pollution and emissions when facilities or installations are planned in the (i) design, (ii) construction, and (iii) operation phases in tandem with the principal project.

Our actions support the following SDGs:

Highlights 2021

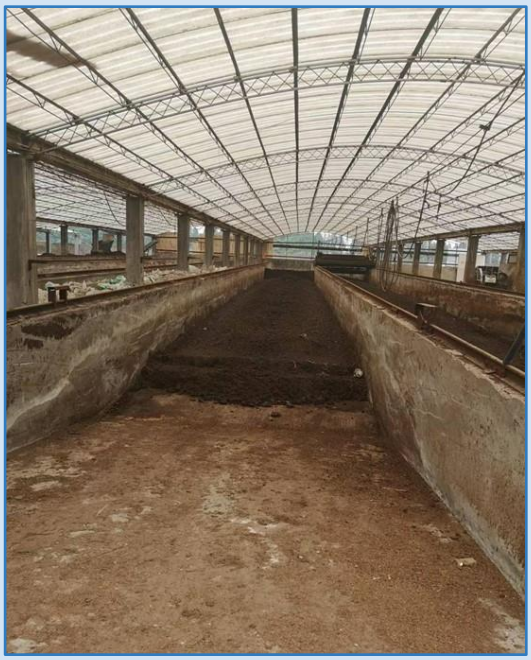
- Developing our own Sustainability Policy and Environmental Policy
- Saved est. **14.5 tons of coal** each year by merging 24-hour chilled water system with chilled water process unit at our production facility in Shanghai
- Saved approximately **200 tons of water** each year by installing a wastewater recovery system
- Installing a pilot **21.6 kW solar panel system** in our Shanghai production facility
- Upgrading the boiler system to **reduce nitrous oxide emissions** in our Shanghai production facility
- Group-wide Scope 1 emissions **decreased by 14%** compared with 2020
- Overall greenhouse gas emission intensity by revenue **reduced 20%** compared with 2020
- **38% decrease in wastewater** discharged compared with 2020
- Approximately **4,000 tons of** Chinese medicine residues and sludge converted into organic fertilizer in SHPL
- SHPL **reduced over 3,600 tons** of water consumption since the end of 2020 with the use of heated condensate as boiler feedwater

[17] KPI A1.5; A3 The Environment and Natural Resources; KPI A3.1

Our Sustainability Story

Turning waste into resource

Converting Chinese medicine residues into fertilizer



Composting Chinese medicine residues and sludge into fertilizer

Chinese medicine residues and sludge generated from our production were once considered as general waste. Little did we know that they are high in organic content and can be converted into organic fertilizer for extensive farm use.

In 2021, SHPL actively explored partnering with a composting company to convert Chinese medicine residues from our production and sludge from our wastewater treatment facility into organic fertilizer. Approximately 4,000 tons of waste from disposal were successfully diverted as of year end.

Recycling water for use in boilers

Condensate harvesting system at SHPL

In 2021, SHPL took the initiative to install a condensate recovery system to collect the water used as boiler feed water.

The system reduces the need to source water from the local water supplier and the need to replensish with cold boiler feedwater, thereby saving water and reducing energy lost. In addition, returning more condensate to the feedtank helps keep the boiler clean and reduces the frequency of discharge. It also eases the pressure of the wastewater treatment system.

Since its installation at the end of 2020, the system helped reduce over 3,600 tons of water that would have otherwise been used as replenish water for the boiler.

Climate Change and Low-carbon Operations[18]

Climate change poses significant risks to all businesses. To strengthen our resilience towards climate change impact, our Environmental Policy serves to guide our actions towards addressing the risks and tapping into the opportunities that climate change brings to our business. These actions include embedding climate change risks into the Group's management process, actively looking into setting medium and long-term targets to reduce carbon emissions as appropriate, and establishing actions to reduce the impact of our operations towards a changing climate.

We understand that extreme weather events such as floods and typhoons could leave our operations vulnerable to power loss or communication failures, especially at our manufacturing locations. We have two primary manufacturing sites – our formulation facility in Suzhou that produces our innovative oncology drugs ELUNATE® and SULANDA®, and SHPL's facility in Shanghai that primarily produces She Xiang Bao Xin pill. ORPATHYS®, which was launched in mid-2021, is produced by Wuxi STA, a subsidiary of Wuxi AppTec Co. Ltd.

To withstand the impacts of climate-induced threats, we have established appropriate control measures throughout our business. For example, our manufacturing sites have developed business continuity plans as well as emergency preparedness procedures. Specific procedures are in place for prevention against floods and typhoons and in the event of power failure, water loss or gas loss, as well as potential lockdowns due to the pandemic. Emergency drills are regularly conducted at sites to ensure effective procedures and enhance awareness amongst staff members.

We actively explore options for cleaner manufacturing and operations, with a focus on enhanced energy efficiency and electricity consumption reduction, by taking action via novel or unexplored measures, strategies and technologies.

Our Suzhou manufacturing facility is equipped with several environmentally friendly features. In alignment with our commitment towards energy efficient operations, an air conditioning system in our Suzhou manufacturing facility features a return airflow system for our clean production area where cooled air can be recycled through the system. Air ducts are insulated to prevent heat dissipation. Furthermore, we invested in new equipment for the treatment of waste gas from our laboratories in our Suzhou manufacturing facility in 2021. The system collects and centralizes waste gas through an activated carbon filter to remove pollutants prior to release into the atmosphere.

At our production facility in Shanghai, we successfully merged our 24-hour chilled water system to our chilled water process unit in 2021. The new system is estimated to save 14.5 tons of coal each year. In addition, as part of our transition journey to cleaner energy, the Shanghai production facility installed a pilot 21.6kW solar panel system. We will be reviewing the performance of the project and exploring the feasibility to install additional systems in the future.

Air emissions are generated by our operations. Our facilities are required to control air emissions and comply with applicable regulations and emission standards. We have upgraded the boiler system in our Shanghai production facility to reduce nitrous oxide emissions. Moreover, we have different arrangements in place to minimize the emission of air pollutants at different weather warning signals. In 2021, our absolute Group-wide Scope 1 emissions decreased by 14% compared with 2020. For overall greenhouse gas emission intensity by revenue, we saw a reduction of 20% compared with 2020.

[18] KPI A2.3; A4 Climate Change; KPI A4.1; E10

Energy and greenhouse (GHG) gas emissions in 2021

	Unit [Note 1]	Oncology/Immunology & Hutchison Sinopharm *(consolidated entities)*	SHPL *(non-consolidated joint venture)*	Combined Total
Revenue	US$'000	298,205	286,267	584,472
Employee	person	1,715	2,883	4,598
Direct emissions (Scope 1)	tCO_2e	313	4,856	5,169
Indirect emissions (Scope 2)	tCO_2e	6,717	9,620	16,337
Energy consumption	GJ	41,439	184,110	225,549
Energy consumption intensity	GJ per US$ '000 revenue	0.139	0.643	0.386
Greenhouse gas emission intensity (Scope 1 & 2)	tCO_2e per US$ '000 revenue	0.024	0.051	0.037
	tCO_2e per employee	4.10	5.02	4.68

Note 1: tCO_2e = tonnes (metric tons, t) of carbon dioxide (CO_2) equivalent (e). GJ = Giga Joule (GJ), which is equal to 1 x 10^9 joule (J).

Use of Materials[19]

To reduce HUTCHMED's environmental impact, we aim to optimize our use of resources and production patterns. Our research and manufacturing involve the use of hazardous and flammable materials and chemicals. It is our responsibility to handle and dispose of these substances with the utmost care.

Waste management[20]

In line with our Environmental Policy, we are committed to integrating circular economy principles into our business strategies through responsible material sourcing, efficient product processes and product design, and inspiring sustainable consumer behaviors.

Stringent laws and regulations dictate the handling, use, storage, treatment and disposal of hazardous materials and waste. Hazardous waste that arises from our operations include waste solvents, waste lubricants, waste drugs, and other types of regulated waste. To ensure that our hazardous waste is handled in an environmentally responsible manner, only qualified external contractors are appointed to collect, treat and dispose of our waste. Hazardous materials awaiting collection is temporarily stored in rainproof, leak-proof containers with detailed labelling in accordance with relevant regulations.

Our waste facilities and treatment area are subject to scheduled and surprise inspections. Processes performed by contractors are regularly reviewed to ensure compliance and verify the acceptability of their system and practices. The EHS team records the details of our hazardous waste and as per local regulations, reports relevant statistics to the authorities.

In the reporting year, 108 tons of non-hazardous waste and 113 tons of hazardous waste were disposed of, both at an intensity of 0.0002 ton per US$ '000 revenue. The sharp increase in hazardous waste volumes (39 tons in 2020) was because of a set of new expert recommendations from the National Medical Products Administration that encourages disposal of ethanol, a hazardous waste, after it has been reused for a certain number of times in the production process. We also have established a management procedure on the use of ethanol in our operations. In 2021, the spent ethanol accounted for over 60% of the hazardous waste by weight.

General waste that arises from our offices and manufacturing operations include paper, packaging and other waste. Recyclable materials are separated and collected by third-party vendors while non-recyclable items are sent for final disposal.

Water management[21]

Water is an essential resource for our operations. We are committed to consuming water wisely and responsibly. In addition to the condensate recovery system at SHPL, our

[19] KPI A3 The Environment and Natural Resources; KPI A3.1
[20] KPI A1.6
[21] KPI A2.4

Suzhou manufacturing plant is also equipped with a recovery system for purified water for more water efficient production.

Policies are in place to ensure wastewater generated from our production and laboratories is treated and discharged properly and in compliance with all relevant local laws and regulations. Wastewater generated at our manufacturing locations is diverted to a wastewater treatment facility prior to discharge. We also appoint qualified third-party contractors at SHPL to conduct regular testing of treated wastewater to ensure chemical oxygen demand ("COD") and ammonia nitrogen concentrations are kept within regulatory limits. In the reporting year, 205,696 m^3 of wastewater was discharged, representing a decrease of 38% compared to 2020. This decrease is mainly due to the suspension in production of an injection drug which requires substantial use of water in the manufacturing process as well as the installation of the condensate harvesting system at SHPL which reduces the volume of wastewater discharge.

Green Procurement[22]

HUTCHMED is committed to sourcing responsibly. The Environmental Policy sets out our commitment to integrate environmental considerations in the procurement process. We support and promote environmental practices in the supply chain by implementing the following guidelines during the procurement process. Where suitable options exist, we

- reduce the use of virgin materials;
- avoid single-use disposable items and replace them with durable and reusable and/or recyclable alternatives;
- minimize the use of packaging;
- reduce the use of hazardous substances; and
- adopt specifications for greater energy efficiency, water efficiency and clean technology.

Regarding office-related products, we opt for recyclable toner and ink cartridges and procure paper from responsibly managed forests including post-consumer recycled content as demonstrated through sustainability certifications. Currently all paper purchased from our Hong Kong office are Forest Stewardship Council ("FSC") or Program for the Endorsement of Forest Council ("PEFC") certified.

We will continue to work with our business partners to continually improve in seeking alternatives for single-use items and opt for greener alternatives, where practicable.


上海环科环境认证有限公司
Shanghai Huanke Environmental Certification Co., Ltd.
环境管理体系认证证书
兹证明
上海和黄药业有限公司
建立的环境管理体系符合标准：
GB/T 24001-2016 / ISO 14001:2015
环境管理体系 要求及使用指南
通过认证范围如下：
丸剂、片剂、注射剂等中成药的研发、生产和相关环境管理活动


SGS
Shanghai Hutchison Pharmaceuticals Co., Ltd.
GB/T 23331-2020/
ISO 50001:2018
RB/T 114-2014

ISO 14001 and ISO50001 certifications of SHPL

[22] KPI B5.4

Performance Data Summary (Environmental)[23] [24]

GHG emissions[25]

GHG emissions (tCO_2e)	2021	2020	Change (%)
Total emissions (tCO_2e)	21,505	21,946	-2%
Direct GHG emission (Scope 1)	5,169	6,040	-14%
Indirect GHG emission (Scope 2)	16,336	15,906	3%
Total GHG emission intensity (tCO_2e)/ US$'000 revenue	0.037	0.046	-20%
Total GHG emission intensity (tCO_2e) / employee	4.68	5.30	-12%

tCO_2e = tonnes (metric tons, t) of carbon dioxide (CO_2) equivalent (e)

Air emissions[26]

Air emissions (kg)	2021
Nitrogen Oxides (NO_x)	884
Sulphur Oxides (SO_x)	0.45
Particulate matter (PM)	155

Energy consumption[27]

Total energy consumption (GJ)[Note 1,2]	2021
Total Energy Consumption	225,549
Electricity consumption	99,883
Steam consumption	11
Natural gas consumption	124,587
Diesel consumption	2
Gasoline consumption	1,067
Total energy intensity GJ/ US$'000 revenue	0.386

Note 1: GJ = Giga Joule (GJ), which is equal to 1×10^9 joule (J).

Note 2: Data from the US have been excluded because electricity is provided by the landlord.

Water consumption[28]

Total water consumption (cubic meters)	2021
Water consumption (cubic meters)	311,256
Water consumption intensity (cubic meters/ US$'000 revenue)	0.53

[23] The calculation standards and methodologies for GHG emissions were referenced to the" Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" by Environment Protection Department and Electrical and Mechanical Services Department of the HKSAR Government. Emission factors for the reporting of GHG emissions were referenced from sources including the Sustainability Report 2021 of CLP Power Hong Kong Ltd, the average CO_2 emission factors of China's Regional Grid in 2019 issued by the Ministry of Ecology and Environment of the People's Republic of China and "How to Prepare an ESG Report – Appendix 2 Reporting Guidance on Environmental KPIs" by the Hong Kong Stock Exchange.

[24] The amount of revenue used to calculate intensities denotes only revenues of business units under the sustainability reporting scope, which includes our non-consolidated joint venture, SHPL.

[25] KPI A1.2

[26] KPI A1.1

[27] KPI A2.1; E3.1-3.2; E4

[28] KPI A2.2; E6.1

Wastewater discharge

Total wastewater discharge (cubic meters)	2021	2020	Change %
Wastewater discharged[Note 1]	205,696	334,411	-38%

Note 1: The reduction of wastewater discharged is due to the installation of the condensate recovery system at SHPL as well as the suspension of production of Shengmai Injection in 2021 which requires substantial use of water.

Paper

Total paper purchased (tons)	2021
Paper purchased	19

Packaging materials[29]

Packaging materials used (tons)	2021
Paper	1,106
Plastic	779
Metals	35
Total	1,920

Waste and recycling[30]

Waste (tons)	2021	2020	Change %
Non-hazardous waste	108	976[Note 1]	-89%
Hazardous waste	113	39	189%
Non-hazardous waste intensity (tons/ US$'000)	0.0002	0.0034[Note 1]	-95%
Hazardous waste intensity (tons/US$'000)	0.0002	0.0001	-42%

Note 1: The weight of non-hazardous wastes in 2020 was revised in 2021 to exclude the Chinese medicine residue and sludge that were recycled instead of disposed. The non-hazardous wastes intensity figure has also been revised accordingly. The reason for the high volume in 2020 was because SHPL disposed of several years of packaging waste in 2020 (originally disclosed as 4,119 tons in 2020 Sustainability Report).

Waste recycled by type (tons)	2021	2020[Note 2]	Change %
Paper	111		
Plastic	106		
Metals	1.23		
Chinese medicine residue[Note 1]	3,468	2,754	26%
Sludge	479	389	23%
Printer cartridges (pieces)	42[Note 3]		
Total	4,165[Note 4]		

Note 1: The weight of the Chinese medicine residue was estimated using a factor of 1.5 times the weight of Chinese medicine fed into the production to account for the weight of water.

Note 2: The weight of the Chinese medicine residue and sludge recycled in 2020 were revised in 2021 to rectify inclusion into the waste disposal figure mistakenly. Not all categories of recycled waste were recorded in 2020.

Note 3: The number of printer cartridges recycled is reported for the Hong Kong Headquarters only.

Note 4: Total weight of waste recycled excludes printer cartridges.

[29] KPI A2.5

[30] KPI A1.3, KPI A1.4

RESEARCH & DEVELOPMENT[31]

Research and Development ("R&D") is considered one of our key priority areas in our Company's sustainable development, and pharmaceutical manufacturing is at the core of our Oncology/ Immunology operations. We recognize our social responsibility in the process of discovering new drugs and spare no efforts in preserving the reliability and safety of these operations.

Our actions support the following SDGs:

Highlights 2021

- In Hong Kong, we provided **fruquintinib and surufatinib to patients** in public hospitals through the Compassionate Named-Patient Program
- In the United States, we launched an Expanded Access Program for **surufatinib to help patients** with neuroendocrine tumors

Our Sustainability Story

HUTCHMED launches Oncology Research Fund with Chinese Society of Clinical Oncology (CSCO)

HUTCHMED fully supports innovative solutions for oncology research with advance science. To promote the intensive development of clinical oncology, we launched a 4-year "CSCO-HUTCHMED Oncology Research Fund" in 2021 with CSCO.

The research fund will issue a total of RMB 6 million (US$939,000)[32] to support 41 clinical studies and translational research in the field of oncology, including the research on VEGFR, FGFR and CSF1R inhibitors and the development of targeted therapy drugs, focusing on important unmet medical needs in oncology such as colorectal cancer and neuroendocrine tumors. We believe these studies will contribute to the knowledge base for improved tumor diagnosis and provide better treatment options for patients.

[31] B6 Product Responsibility
[32] USD:CNY exchange rate of 6.39 on 31 Dec, 2021

Safety of Clinical Trials

Clinical research is a key component in the development of new drugs. We conduct our clinical studies and research in a manner consistent with global ethical principles and in accordance with local laws and regulatory requirements. This includes adherence to GCP, as well as the protocols and trial design specifications submitted to and agreed upon by the China National Medical Products Administration ("NMPA"), the European Medicines Agency ("EMA"), the U.K. Medicines and Healthcare Products Regulatory Agency ("MHRA"), the Japan Pharmaceuticals and Medical Devices Agency ("PMDA") and the U.S. Food and Drug Administration ("FDA"). The safety, well-being, rights and ethical treatment of trial participants are protected by human clinical trials liability insurance.

Relevant staff at all clinical investigative sites are required to follow SOPs on the conduct, management, and reporting of clinical studies to ensure that the rights, safety and welfare of study participants are protected and ensure all regulatory guidelines are met. We have adopted the use of biometrics to ensure system compliance of all users (e.g. control user access and permissions, ensure user training, including electronic signature confirmation), and monitors consistency of data entry. With regards to the preparation of clinical documents, such as clinical study protocols, master informed consent forms, investigator's brochures, and clinical study reports, we follow the requirements laid down in internationally recognized standards and guidelines such as those developed by The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ("ICH").

To achieve more extensive coverage for new drug development, we proactively conduct clinical research in collaboration with external clinical research partners. Our SOPs are in place to provide guidelines over the selection on clinical research organizations. It clearly defines our partners' selection criteria, including regulatory compliance, professional qualifications and established patient groups, as well as indications, pharmacology and other specifications of the drugs to be tested. In 2021, the SOP was revised to include specified vendor qualification procedures, including introducing a Vendor Engagement Questionnaire and additional requirements on vendor oversight and management. This ensures that all the research partners we team up with abide by our high standards in ethical conduct and quality in clinical research.

Our Clinical and Regulatory Department is responsible for monitoring and reviewing experiments undertaken by research organizations. It also gathers and manages clinical data, analyzes information and generates reports for all cases. In 2021, the department completed an improvement project for 15 Clinical SOPs and implemented global computerized systems for the eTMF (electronic Trial Master File) and CTMS (Clinical Trial Management System). Additionally, we strive to develop a safety, efficacy and tolerability profile for each drug by monitoring their effectiveness. Potential adverse effects are taken into consideration in an effort to evaluate and manage the relevant risk of our drugs. We continuously communicate with our partners regarding the data on our investigational drugs, allowing for prompt inspections and rectifications if concerns are raised or abnormalities are observed.

We are committed to be transparent on our clinical trial processes and results to the fullest extent possible. We act in accordance with the applicable national requirements governing the disclosure of ongoing clinical trials, and for the submission of results to public registries in relevant jurisdictions. Irrespective of the location of the clinical trial, details of our clinical studies and results are publicly disclosed on clinicaltrials.gov, an international database maintained by the U.S. National Institutes of Health.

Progress reports on ongoing clinical trials must be submitted at least annually to the relevant regulatory authority and more frequently if serious adverse events are detected. Our Operating Procedures on the Management of Serious Adverse Event Reports in Clinical Trials provide guidance for the collection, processing, evaluation and submission of these reports. Criteria for valid cases, timeframes, roles and responsibilities, investigations, reporting processes and follow-up actions are clearly defined. All clinical trials sponsored by us adhere to the same standards. Procedures are regularly reviewed and updated to reflect evolving safety standards and to safeguard trial participants.

In Hong Kong, we launched the Compassionate Named-Patient Program in October 2021, providing compassionate use of fruquintinib and surufatinib to patients in public hospitals who are running out of available treatment options. Furthermore, owing to logistic disruptions caused by the COVID-19 outbreak in Hong Kong, we worked closely with the local distributors to overcome the challenges of maintaining continual drug supplies to the patients in need. In the United States, an Expanded Access Program for the compassionate use of surufatinib has

also been launched for patients with neuroendocrine tumors, who have run out of available medical options and do not have access to clinical trials.

Animal Welfare

We place great importance on the protection of ecological diversity and animal management during pre-clinical research in laboratories. We support and strictly comply with laws and regulations on animal management including the Good Laboratory Practice, the Regulation on the Administration of Experimental Animals, the Administrative Measures of Shanghai Municipality on Affairs Concerning Experimental Animals, and the National Guidance for the Use of Experimental Animals. We continually seek ways to minimize our use of animals by upholding the Three Rs (Replacement, Reduction and Refinement) principles in animal experimentation and other best-in-class practices for more ethical and humane treatment of animals:

Three Rs principles

- **Replacement** – we actively avoid or seek alternative methods to replace the use of animal experiments
- **Reduction** – we strictly control laboratory animal usage and frequency of such experiments
- **Refinement** – we strive to eliminate pain, distress or discomfort before, during and after the experimental procedures

Beyond the requirements of all applicable laws and regulations, we have a Laboratory Animal Care and Use Committee in place to strengthen laboratory animal welfare and animal experiment management. The committee comprises of nine senior management and department representatives responsible for the oversight of all work procedures involving the use of animals to ensure the ethical use of laboratory animals in animal experiments; conducting regular ethical reviews on laboratory animal experiments; and standardizing professional conduct of laboratory animal practitioners.

We have earned accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care, demonstrating our commitment to responsible animal care and use. Through a series of evaluation exercises, including peer reviews, facility walk-throughs, meetings with animal care and research staff, and representatives from the oversight committee, we were recognized for our conscientious treatment of animals. These certifications guarantees that experimental methods used adhere to strict requirements and standards, the preservation of natural resources and the assurance of a high level of animal welfare.

Aside from the establishment of the Laboratory Animal Care and Use Committee, we advocate to create a culture for the protection of animal welfare. Comprehensive employee trainings on practical work and the use of laboratory animals are regularly delivered to employees of SHPL. We also require all new employees of our Laboratory Animal Center to attend training on animal welfare as part of their induction orientation. These training include information on the latest laws and regulations related to animal welfare which helps to ensure all relevant employees adhere to all related requirements and that procedures are effectively implemented within the actual operations.

RESPONSIBLE COMMERCIALIZATION[33]

Our business focuses on serving the medical needs of the public and distributing our drugs to those in need. With the launch of ELUNATE® in 2018 and SULANDA® and ORPATHYS® in 2021 in China, as well as potentially applicable products globally, we have committed that the products are marketed and manufactured to a high standard of quality, safety, traceability and affordability.

Our actions support the following SDGs:

Highlights 2021

- In mainland China, we **reduced over RMB 5 million (US$782,000)[32] in treatment costs** for patients through the ORPATHYS® Patient Access Program in its first 3 months
- Over the year, we **donated 7,500 boxes of SULANDA®, benefitting over 360 patients**
- Negotiated with the China National Healthcare Security Administration ("NHSA") to have ELUNATE® and SULANDA® included in NRDL for two more years starting January 2022.

Our Sustainability Story

ORPATHYS® Patient Access Program

沃瑞沙® Orpathys® 赛沃替尼片

ORPATHYS® was granted conditional approval by the NMPA in June 2021 for the treatment of patients with non-small cell lung cancer ("NSCLC") with mesenchymal–epithelial transition ("MET") exon 14 skipping alterations who have progressed following prior systemic therapy or are unable to receive chemotherapy. Thousands of patients have benefited from this innovative drug.

To reduce patients' financial burden and ensure affordability of this life-saving drug, we worked together with AstraZeneca and China Primary Health Care Foundation ("CPHCF") to launch the ORPATHYS® Patient Access Program in December 2021. As of February 2022, over 120 patients enrolled in this Project and received 614 packs ORPATHYS® free of charge. This reduced estimated treatment costs by over RMB 5 million (US$782,000)[32]. As the primary drug supplier, HUTCHMED has delivered 5,000 packs of high quality ORPATHYS® to the Project and will continue to deliver thousands more packs to the Project in 2022. Looking forward, we will continue our joint efforts with AstraZeneca and CPHCF to benefit more patients.

[33] B6 Product Responsibility

Product Quality and Safety[34]

We are committed to delivering high-quality products and ensuring safety to our clients and customers throughout the product lifecycle. This requires the participation and commitment of staff at all levels within our Company, as well as our suppliers and distributors. To support us in upholding these commitments we have established a comprehensive Quality Management System that incorporates Good Manufacturing Practice, Good Distribution Practice, Good Pharmacovigilance Practices, and Quality Risk Management to ensure proper system implementation.

The Quality Management System is operated by competent personnel who are trained with the knowledge of SOP. The associated operations are also overseen and monitored by the Quality Department. To demonstrate the continual improvement programs to enhance the effectiveness of our Quality Management System, in 2021 we successfully implemented global EDMS (Electronic Document Management System), LMS (Learning Management System), and Product Investigation System to cover R&D, clinical, manufacturing, and distributions activities.

Supplier Management[35]

We have a robust supplier management system in place to guide our partnerships with suppliers, who are an integral part of our value chain. We select suppliers whose business values and ethics are consistent with ours. In 2021, 14 supplier assessments were conducted for product quality and five assessments were conducted per applicable Good Manufacturing Practice ("GMP")/ Good Supply Practice ("GSP") regulations. We also have specific guidelines to indicate various procurement requirements for different types of suppliers.

All suppliers and manufacturers must acknowledge and sign agreements that clearly define our quality requirements. Suppliers are inspected and monitored on a regular basis to ensure their services and products follow our requirements. An annual assessment will be conducted to review the quality of products or services, where suppliers are evaluated based on a standardized marking scheme. These assessments include the review of quality performance, supply consistency and alignment with our business operations. Suppliers who scored relatively low in the assessment are subject to further investigation and are required to develop corrective action and preventive action ("CAPA") plans to address the identified areas of non-compliance. We encourage our suppliers to improve. However if continual non-compliance with no commitments to improve is observed, we would consider terminating the relationship with the specific supplier. In this reporting year, we conducted 43 supplier audits on issues including product quality, patient safety, and data integrity.

To better facilitate our supplier management procedures, our "Code of Ethics for Business Partners" outlines our expectations towards our business partners, including but not limited to suppliers, vendors, customers, agents, contractors, joint venture partners and representatives. The Code covers topics such as conflicts of interest, anti-corruption, fair trade, and intellectual property rights. The primary purpose of the Code is to ensure our partners uphold high ethical standards throughout the supply chain.

We engage our suppliers regularly through surveys and other direct forms of communication. In 2021, we had 3,116 suppliers to our subsidiaries and joint ventures, including 106 in Hong Kong, 2,640 in mainland China, and 370 in the United States and other countries. During the year, we issued 254 supplier surveys to further understand and thereby address the operational concerns of our suppliers.

Number of suppliers by geographic region[36]

Region	No. of suppliers
Hong Kong	106
Mainland China	2,640
United States and other countries	370
Total	3,116

Our continuous effort in quality control ensures that our drugs are produced and tested according to approved instructions and do not place patients at risk due to inadequate safety, quality, or efficacy.

Adverse Events[37]

Following the launch of any of our products, we monitor patient and market feedback with vigilance. Where any reported serious

[34] KPI B6.4

[35] B5 Supply Chain Management; KPI B5.2 – KPI B5.4; G5.1- G5.2;

[36] KPI B5.1; KPI 5.2

[37] KPI B6.4

adverse reactions or other adverse effects resulting from use or misuse of our products are reported, we promptly form working groups to investigate the severity of the issues and their root causes.

All cases are quickly reported to relevant regulatory bodies, such as the EMA, FDA, MHRA and NMPA, and CAPA plans are devised. When deemed necessary, we will recall products and ensure they are disposed of and destroyed appropriately.

To ensure our customer protection mechanism is effective, we conduct mock recalls biennially. We identify areas for improvement and develop CAPA plans to enhance our procedures through these mock recalls. In 2021, there were no product recalls due to adverse events.[38]

Pharmacovigilance quality system

HUTCHMED is committed to the development and maintenance of a product and its safety through the identification, assessment, and mitigation of risks throughout the product lifecycle to ensure its benefits to patients outweigh the risks.

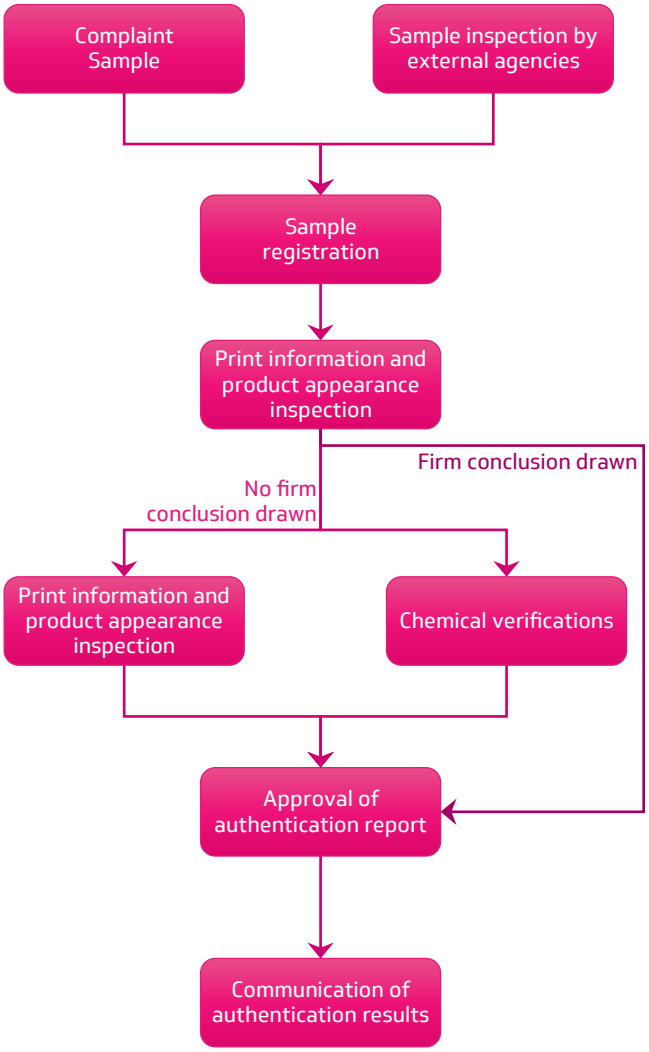
We have a dedicated pharmacovigilance team to monitor patient and product safety issues throughout the product lifecycle. Reports on adverse events are first collected and processed, before they go through the Oracle Argus Safety AE Management System, which is an advanced and comprehensive adverse events management system that facilitates regulatory compliance, integration of safety & risk management, and internal company safety surveillance. All information received are then evaluated and reported to regulatory authorities, including the NMPA, and our business partners. In 2021, there was no safety issue reported.

Anti-counterfeiting and Product Traceability[37]

In order to deliver our promise to improve public health, we are committed to combating substandard and counterfeit drugs. The quality management and drug management systems of the Group regulates the production, storage, sale and distribution of our products, ensuring they are handled and traced in accordance with proper internal procedures. We remain vigilant and monitor the market for counterfeit drugs and have introduced anti-counterfeiting package designs to lower the risk of counterfeits.

To enhance traceability, we have implemented an authentication management program, which incorporates a drug product authentication process to perform anti-counterfeiting verification of labels and chemicals of suspicious products. Trained and qualified experts from our Quality Control and Quality Assurance Departments are responsible for performing these verifications.

Product authentication process for suspicious packaging and drug products



[38] KPI B6.1

Responsible Marketing

Our marketing and promotional activities are conducted in compliance with applicable laws and regulations and industry codes. Policies and procedures governing compliant conduct have been put in place and are regularly updated to ensure relevant risks are sufficiently addressed and mitigated appropriately with particular emphasis on our interactions with the healthcare professionals ("HCP") and healthcare organizations ("HCO").

With the launch of ELUNATE® and SULANDA® in mainland China, we have developed a specialized, oncology-focused sales and marketing team. Our marketing activities are intended to enhance the practice of medicine for the purpose of patient benefit. We focus on informing HCPs/HCOs about the availability of new drugs and medicines, providing scientific information while supporting medical research and education. Our engagement with HCPs/HCOs is not intended to interfere with the independence or be perceived as an inducement or reward for prescribing, recommending, purchasing, supplying or administering our products.

We have established a compliance committee, consisting of the most senior executives of our Company, to oversee and monitor activities, including interactions with HCOs/HCPs, to ensure compliance and integrity of our business. We also have SOPs regarding promotional and non-promotional materials to ensure such materials are clear, accurate and fair.

In addition to policies and procedures to ensure the compliant conduct of our employees, we place great emphasis on building a culture of compliance and high ethical standards and as part of this we provide regular and detailed training to all staff members involved.

Availability and Fair Access of Drugs

It is critical for us to support healthy market competition while ensuring adequate and fair access to our products. As such, we are building an extensive prescription drug distribution network across mainland China. We also collaborate with our partners to improve drug accessibility for the benefit of patients.

To make health products largely affordable and accessible for the public in mainland China, we carefully negotiate fair and reasonable prices with relevant government bodies. ELUNATE® was included on the National Reimbursement Drug List in 2020 and is now available at a reduced price, enhancing advanced colorectal cancer patients' access to the drug.

We believe patient support is part of our social responsibility and we aim to continuously offer support to patients via various channels and programs, such as charitable foundations, industry associations and hospitals, for the ultimate purpose of improving patient benefit.

In 2021, we collaborated with CPHCF to develop a patient assistance program to provide SULANDA® to patients who meet certain medical criteria and economic criteria. As the primary drug supplier, we supplied SULANDA® to improve the accessibility of treatment for patients with pancreatic and extra-pancreatic (non-pancreatic) neuroendocrine tumors. Over the year, we donated 7,500 boxes of SULANDA® to 363 patients. We believe the program not only helps reduce the economic burden of patients but also provides them with improved access to medical treatment.

In the fourth quarter of 2021, we agreed with the NHSA to include ELUNATE® in the NRDL for two more years starting January 2022, at a discount to the 2020-2021 price. We also agreed with the NHSA to include our newly launched drug SULANDA® in the NRDL, at a 52% discount relative to the 2021 self-pay price.

HUMAN CAPITAL MANAGEMENT[39]

Growing a professional team and attracting new talent is at the core of HUTCHMED's development. We consider employees our most important asset and seek to develop a diverse and inclusive culture that creates a sense of belonging. Fundamental to this promise is to safeguard the health and well-being of our employees and equip them with skills that support high performance. This year, we continue to place strong emphasis on the attraction, retention, development and engagement of talent.

With the participation rate of 95% in the annual Employee Engagement Survey conducted by a professional consulting firm, HUTCHMED scored higher than the benchmark in 20 out of 26 categories, including role clarity, leadership, team, purpose, company prospects, and feedback. The overall score of Engagement is 77 which is 4 points above pharma industry benchmark, indicating our employees are satisfied with working at HUTCHMED and they would recommend HUTCHMED as a great place to work.

Our actions support the following SDGs:

Highlights 2021

- Overall employee gender ratio was 50:50
- 100% employees received training
- HUTCHMED **scored higher than the benchmark in 20 out of 26 categories** in an Employee Engagement Survey conducted by a professional consulting firm
- **Total occupational health and safety ("OHS") training hours increased by 3-fold** compared with 2020
- HUTCHMED staff **volunteered a total of 1,200 hours**
- A total **donation of HK$14.9 million** (US$1.9 million)[40] was made to support our local communities

[39] B1 Employment; S6; G1

[40] USD:HKD exchange rate of 7.8 on December 31, 2021

Our Sustainability Story

Creating an e-learning platform for flexible learning experiences

As part of our commitment to support careers development and foster a culture of continuous learning, we launched the HUTCHMED e-learning platform in October 2020, featuring over 17,600 courses for users to choose from and learn at their own pace.

In 2021, our employees completed over 1,600 online learning courses with over 49,000 videos watched. An average learning time of 1 hour per user per month was achieved through this e-learning platform. The top five most popular courses were related to time management, interpersonal communication, Microsoft Excel, emotional intelligence and accountability & leadership. The analytics enable us to understand employees' interests which in turn help us further enhance the HUTCHMED e-learning platform to suit our employees' needs.

We have begun implementing a Global Human Capital Management system SAP SuccessFactors with the completion date in 2022. It is to modernize the HR technology and platforms to meet development needs, including learning, talent development, recruitment, performance management and compensation platforms.

Promoting Diversity and Inclusion

We strive to promote diversity in our workplace and apply the principle of equal opportunity to all policies related to human resources, remuneration and benefits, as well as ensuring employment opportunities for people of all kinds. Our Code of Ethics and Employee Handbooks set out the standards and expectations for fair employment opportunities that also applies to our joint venture companies. Regular reviews of our talent policies are conducted by our Human Resources Department to ensure compliance with statutory requirements and keep our people inspired.

As an equal opportunities employer that is committed to protecting employees from discrimination against gender, disability, family status, race, age or sexual orientation, we strive to work together with our employees to create a workplace where people choose to work and grow. We believe a positive and inclusive environment is essential for employees to feel valued and respected to achieve their full potential.

Board diversity

Our Board of Directors places great emphasis on developing a culture of respect and ensuring the diversity of our employees. This commitment is demonstrated at the highest level where a Board Diversity Policy is in place to ensure that Board appointment should be based on merit that complements and expands the skills, experience, expertise, independence and knowledge of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, etc.

In addition, our Nomination Committee is responsible for the regular review of the Board structure to ensure that the board demonstrates a diversity of skill-sets and backgrounds. As at December 31, 2021, the male-to-female proportion of our Board was 80% to 20%. For more information, please refer to our Annual Report.

Workforce diversity

At the end of 2021, 100% of our staff were employed on a full-time basis, with a total of 4,598 employees. The overall male-to-female distribution was at a balanced ratio of 50:50. Currently, 33% of our senior management positions are held by women. We will continue our efforts achieve a more diversified and inclusive workforce.

Talent Acquisition and Retention

We have human resources policies in place to attract new talent and ensure employee remuneration is competitive and that employees are rewarded in accordance with their capabilities and performance. Annual compensation benchmark against peer groups similar to our scale and operation landscape are conducted to ensure we maintain our competitive edge. Our pay philosophy is to provide our professionals with total compensation at or above market median levels.

In 2021, we also conducted an Employee Benefits Benchmark analysis with our employees in mainland China, which led to upgrades to seven key benefit items ranging from life insurance, annual leave optimization, medical coverage and others,

ensuring that our employees enjoy benefit coverage comparable to the market. Moreover, we make contributions to the Hong Kong Mandatory Provident Fund schemes, the U.S. 401(k) plans, and other retirement benefit plans including the provident funds for all employees.

Our comprehensive package for staff includes medical and social insurance, housing benefits, retirement scheme and discretionary bonuses as well as leave entitlements in accordance with national and local laws and regulations. The Company also has share option schemes, starting in 2005, to engage and boost a sense of responsibility and ownership in our employees. Other reward and recognition opportunities in place include a long service award and an equity share ownership scheme (the Long Term Incentive Plan, or "LTIP") to show our appreciation towards our employees for their dedicated contributions. Our joint ventures also offer performance-based bonuses to sales representatives.

We support local employment. In 2021, we are proud to have achieved a hiring rate of 100% from local communities in mainland China and the U.S. and 98% of staff were hired from the local community in Hong Kong.

Talent Development and Engagement[41]

At HUTCHMED, we invest in staff training and development. We provide diversified training programs for employees at different levels to foster development and communication. We also sponsor employees to attend external training courses at the company's expense to encourage continuous learning.

- For new hires, we offer on-the-job and/or external training aligned with their respective job functionality.
- For existing employees, we offer over 17,600 training courses covering the latest regulatory requirements to industry best practices.

All courses are available on our e-learning platform for employees' access in their own time. Our employees are generally satisfied with the quality and relevancy of the training courses provided. As at December 31, 2021, 100% of our employees received training during the year, with a total of 73,619 training hours achieved.

Total training hours in 2021: 73,619 hours

	Unit	Male	Female
Average training hours	hours	15.0	17.0
Senior management	hours	21.6	
Middle management	hours	17.7	
General employees	hours	15.5	
Trained employees	%	100	100
Senior management	%	100	
Middle management	%	100	
General employees	%	100	

Communication with Employees

Through various communication platforms, we continuously engage with our employees to cascade corporate messages and listen to their views to better understand and improve our performance as an employer. In the reporting year, 100% of our eligible staff completed performance appraisals. Furthermore, our joint ventures hold meetings with labor unions to ensure that the concerns of our staff are heard and adequately addressed to promote a healthy workplace.

In 2021, we continued to appoint a professional consulting firm to conduct our Employee Engagement Survey. Similar to last year, this survey measured satisfaction and engagement levels regarding our key dimensions: Leadership, Role clarity, Prospects, Engagement, Benefits, Rewards and Involvement. An overall response rate of 95% was achieved this year. HUTCHMED's overall Leadership score was 80, 10% above the Global Pharmaceutical & Healthcare benchmark for this type of survey. Overall results indicated that HUTCHMED scored higher than the benchmark in 20 out of 26 categories.

Our top performing dimensions were Role Clarity (82), Prospects (80), Involvement (80), and Leadership (80). Key dimensions that we have been working to improve further included Engagement (77), Rewards (67), and Benefits (67).

We heard our employees through the surveys and took relevant actions to respond to their needs. These actions include: better communications with staff regarding existing benefits and rewards, simplification of administrative procedures at certain local sites, as well as plans to establish employee awards.

[41] B3 Development and Training, KPI B3.2

While striving to foster open communication with our employees, we also continue to invest in improving employee care. During the year, a series of employee engagement events were organized to enhance staff wellbeing. Examples include six cross-functional team building trips, monthly birthday parties and friendly sports competitions.

A rope jumping competition was held in April 2021 to promote healthy lifestyles.

Six team building events were held from May to October 2021.

Occupational Health and Safety[42]

Responding to the pandemic

During the pandemic, HUTCHMED implemented a series of measures to keep our employees safe. In addition to strictly following government guidance and regulations, appropriate operational adjustments have been made in consideration of the pandemic.

These measures include:

- Implementation and simulation of a crisis management plan to ensure the business continuity to support our clinical studies and supply of medicines to patients under the challenges caused by potential pandemic quarantine measures
- Implementation of general hygiene measures in workplace, such as mask-wearing requirement, temperature checking, proper physical separation in the office, etc
- Split teams and work-from-home arrangement with enhanced IT support
- Providing rapid antigen testing kits for staff who work in office / sites
- Use of online platforms for team communications
- Regular internal circulars with timely updates on social restrictions
- 100% vaccination rate in the U.S. office; close to 90% vaccination rate in the Hong Kong Headquarters
- Vaccination holiday provided to staff
- Annual General Meetings held in electronic/ hybrid mode for two consecutive years
- Minimizing the frequency of business travels

Maintaining workplace safety

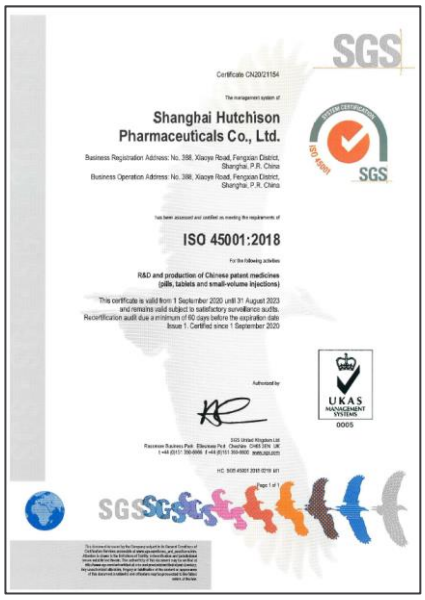
As a company that aspires to improve health and save lives, we regard health and safety as a crucial part of our business. To safeguard our workers' OHS, especially in laboratories and facilities where most occupational hazard lies, a dedicated OHS governance structure led by top management has been established at each of our operational entities to oversee our overall OHS management, including decision-making on safety matters. We have established a dedicated EHS team responsible for the implementation of OHS policies at the working level. The EHS team conducts regular reviews of our safety measures, facilities, equipment, and overall infrastructure which help ensure that they are safe and fit for use. Thanks to the dedicated efforts of the EHS team, there has been zero work-related fatalities at HUTCHMED for the past three years[43].

In 2021, we performed an assessment against the Shanghai R&D EHS program and organization, and improved them by including a new position of a site EHS head and the delegations

[42] B2 Health and Safety; S8; KPI B2.3

[43] KPI B2.1

of CEO in the site governance board. The Shanghai R&D EHS will be responsible for implementation of a global EHS QMS (Quality Management System) to meet requirements set forth in ISO 9000/9001. This team will also lead the associated site project such as establishment of biosafety lab, establishment of a molecule's MSDS (Material Safety Data Sheet).



External assurances help ensure the integrity and performance of our OHS Management systems. Our HUTCHMED China Oncology/Immunology sites and SHPL are certified with ISO 45001:2018. Furthermore, we offer special packages for our employees' annual health check-ups and have a strict policy to ensure no personnel who have yet to undergo occupational health examinations are working in areas with potential occupational hazards. Regular inspections of our laboratories and their safety measures are conducted on daily and monthly basis, along with surprise inspections to ensure the procedures follow our SOPs. Our employees are requested to immediately report any workplace hazards.

We have established procedures to regularly update and maintain protective hardware in our laboratories and facilities. These facilities are tested against local and international standards and requirements by a qualified occupational health agency prior to use and are checked by specialized personnel once a month. Relevant treatment measures are proposed when necessary. The latest round of checking showed our facilities being in compliance with all relevant safety regulatory requirements.

To foster a safe working culture, mandatory safety trainings are provided regularly to all personnel with respect to their role and experience. New hires are required to attend workshop-level and on-the-job safety training prior to work commencement. For example, personnel handling hazardous chemicals must receive appropriate training on the handling, storage and disposal of these chemicals. Staff are required to pass certain assessments before they are allowed to conduct relevant tasks. Refresher trainings are also provided periodically to ensure our staff are equipped with the appropriate knowledge to maintain high levels of safety as well as ensuring compliance to relevant local regulations. At the same time, drills are conducted to ensure the effectiveness of our procedures. To keep staff abreast of the latest requirements, our laboratories also circulate information on safety, environmental protection, regulations and policies regularly. In 2021, we devoted significant resources into maintaining workplace safety, our training hours of health and safety increased by almost 3-fold while the lost days rate decreased from 6.28 to 1.40 days year-on-year.

In case of an event with potential health and safety impacts, our emergency plans and the accident handling and reporting system are in place to implement contingency control measures. We provide prompt treatments, health inspections and medical observations for employees affected by acute OHS-related conditions. We have zero tolerance for the concealment, false reporting, omission or late reporting of OHS incidents. An accident investigation team is formed as soon as a report is received. The team issues a report that summarizes the effects and possible causes of the incident, as well as the steps that will be taken to prevent recurrence of similar incidents. The progress of the follow-up actions will also be promptly monitored.

Occupational health and safety statistics

	Unit	2021	2020
Work-related fatalities	No.	0	0
Lost days rate	days per 200,000 working hours	1.40	6.28
Total training hours of health & safety	Hours	4,118	1,341

Community Investment[44]

We strongly believe that companies should undertake social responsibilities. The Board encourages our business units to contribute to the welfare of the communities in which we operate.

Since 2013, HUTCHMED has supported schools in impoverished mountain areas of mainland China. These schools often lack teaching resources which in turn cause significant impact to the learning and development of school children. Through long-term cooperation and close communication, we understand the specific needs of these schools and make direct donations catered to meeting these needs.

In 2021, we continued to support schools in Xingan County, Jiangsu Province. Over 85% of the students in this area are left-behind children or children with disabled parents living under impoverished conditions. With the concerted effort of our staff in mainland China, 800 books and various school supplies were collected and donated.

Furthermore, HUTCHMED staff have volunteered 1,200 hours within the reporting year and the Company has made HK$14.9 million (US$1.9million[40]) in donations to support our local communities.

HUTCHMED Team volunteered to arrange the donations to be sent to schools in Xingan County, Jiangsu Province.

Children receiving donations from HUTCHMED

[44] B8 Community Investment; KPI B8.1-B8.2;

Performance Data Summary (Social)

Workforce demographics[45]

	2021	2020
Total number of employees	4,598	4,121

Total number of employees by gender	Female		Male		Female		Male	
Oncology/Immunology – Commercial	299	*(46%)*	356	*(54%)*	152	*(39%)*	237	*(61%)*
Oncology/Immunology – R&D	487	*(59%)*	334	*(41%)*	346	*(57%)*	261	*(43%)*
Other Ventures (including non-consolidated SHPL)	1,491	*(49%)*	1,583	*(51%)*	1,452	*(47%)*	1,625	*(53%)*
Corporate Head Office	28	*(58%)*	20	*(42%)*	25	*(52%)*	23	*(48%)*
Total	2,305	*(50%)*	2,293	*(50%)*	1,975	*(48%)*	2,146	*(52%)*

Total number of employees by age	18-30	31-40	41-50	51-60	61+	18-30	31-40	41-50	51-60	61+
Total	1,230	2,443	727	183	15	1,170	2,189	587	165	10

Total number of employees by geographic region	Hong Kong	Mainland China	US, Europe and Others
Total	56	4,415	127

Total number of employees by contract type	Full-time	Part-time	Temporary	Full-time	Part-time	Temporary
Total	4,598	0	0	4,075	46	0

Total number of employees by employee category	General employees	Middle to Senior Management
Total	3,691	907

Employee voluntary turnover rate by gender, age and geographical region[46]

Employee turnover rate by gender (%)	2021	2020
Male	23%	20%
Female	18%	18%
Total	21%	19%

	18-30	31-40	41-50	51-60	61+
Employee turnover by age (%)	29%	20%	10%	10%	33%

	Hong Kong	Mainland China	US, Europe and Others
Employee turnover by geographic region (%)	16%	21%	8%

[45] KPI B1.1; S4.1; S4.3; S5.1

[46] KPI B1.2; S3.1-S3.2;

Occupational health and safety data[47]

Safety Performance	Unit	2021	2020
Total training hours of health & safety	hours	4,118	1,341
Work-related fatalities	Cases	0	0
Rate of work-related fatalities[Note 1]	%	0	0
Lost days rate[Note 1]	%	1.40	6.28
Lost days due to work injury	Days	64.5	

Note 1 – Calculated based on 200,000 hours worked.

Training[48]

	2021	2020
Percentage of employees trained by employee category		
Senior management	100%	89%
Middle management	100%	93%
General employees	100%	95%
Total	100%	94%
Percentage of employees trained by gender		
Male	100%	96%
Female	100%	92%
Total	100%	94%
Average training hours by gender		
Male	15.0	18.0
Female	17.0	17.0
Total	16.0	17.5
Average Training hours by employment category		
Senior management	21.6	10.6
Middle management	17.7	18.7
General employees	15.5	17.5
Total	16.0	17.5
Total training hours on the following topics		
Code of Ethics	113.5	
Anti-corruption and Compliance	12,130	
Health and Safety	4,118	

[47] KPI B2.1-B2.2; S7

[48] KPI B3.1; KPI B3.2;

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The report has been prepared with reference to metrics and indicators of the latest ESG reporting guidelines published by the HKEX and Nasdaq, Inc, as well as the London Stock Exchange Group's ESG Reporting Guidance (for materiality assessment).

The table below summarizes where relevant disclosures could be found throughout this report. Relevant SDGs are also cross-referenced below.

HKEX ESG Reporting Guide *Aspect and Key Performance Indicators (KPI)*		Nasdaq ESG Reporting Guide *ESG metric*	*Section / Remark*	*Page*	UN SDG
MDR 13	A statement from the board containing the following elements: 1. a disclosure of the board's oversight of ESG issues; 2. the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and 3. how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.		Sustainability Governance	6	
MDR 14	A description of, or an explanation on, the application of the (i) Materiality, (ii) Quantitative, (iii) Consistency reporting principles		About this Report	5	
MDR15	Reporting boundaries of the ESG report and the process of setting them		About this Report	5	
Environment					
A1 Emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Sustainability Policies The Group is not aware of any non-compliance that had a significant impact on the Group in the reporting year.	8	
KPI A1.1	The types of emissions and respective emissions data	E2.2	Performance Data Summary (Environmental)	20	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity	E1.1-1.2, E2.1	Performance Data Summary (Environmental)	20	
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity		Performance Data Summary (Environmental)	21	
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity		Performance Data Summary (Environmental)	21	
KPI A1.5	Description of emission target(s) set, and steps taken to achieve them		The Environment	15	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them		Waste management	18	

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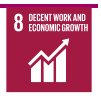
HKEX ESG Reporting Guide *Aspect and Key Performance Indicators (KPI)*		Nasdaq ESG Reporting Guide *ESG metric*	*Section / Remark*	*Page*	UN SDG
A2 Use of Resources	General disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Sustainability Policies	8	
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	E3.1-3.2, E4	Performance Data Summary (Environmental)	20	
KPI A2.2	Water consumption in total and intensity	E6.1	Performance Data Summary (Environmental)	20	
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them		Climate Change and Low-carbon Operations	17	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them		Water management In the reporting year, the Group did not have any issues in sourcing water that is fit for purpose.	18	
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced		Performance Data Summary (Environmental)	21	
A3 The Environment and Natural Resources	General disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Sustainability Policies The Environment	8, 15	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	E7.1-E7.3 E7.2	The Environment	15	
A4 Climate Change	General disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Climate Change and Low-carbon Operations	17	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	E10	Climate Change and Low-carbon Operations	17	
Employment and Labor Practices					
B1 Employment	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	S6 G1	Human Capital Management	29	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	S4.1, S4.3, S5.1	Performance Data Summary (Social)	35	
KPI B1.2	Employee turnover rate by gender, age group and geographical region	S3.1-S3.2	Performance Data Summary (Social)	35	
B2 Health and Safety	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	S8	Sustainability Policies Occupational Health and Safety The Group is not aware of any incident of non-compliance that had a significant impact to the Group in the reporting year.	8, 32	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	S7	Occupational Health and Safety Performance Data Summary (Social)	32, 36	
KPI B2.2	Lost days due to work injury	S7	Performance Data Summary (Social)	36	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored		Occupational Health and Safety	32	

HKEX ESG Reporting Guide *Aspect and Key Performance Indicators (KPI)*		Nasdaq ESG Reporting Guide *ESG metric*	*Section / Remark*	*Page*	UN SDG
B3 Development and Training	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Talent Development and Engagement	31	
KPI B3.1	The percentage of employees trained by gender and employee category		Performance Data Summary (Social)	36	
KPI B3.2	The average training hours completed per employee by gender and employee category		Talent Development and Engagement Performance Data Summary (Social)	31, 36	
B4 Labor Standards	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	S9.1-S9.2, S10.1-S10.2	Sustainability Policies No reported cases of non-compliance related to child and forced labor in the reporting year.	8	 
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	S9.1 S10.1	Our Human Rights Approach	13	
KPI B4.2	Description of steps taken to eliminate such practices when discovered	S9.1 S10.1	Our Human Rights Approach	13	
Operating Practices					
B5 Supply Chain Management	General disclosure Policies on managing environmental and social risks of the supply chain.		Supplier Management	26	
KPI B5.1	Number of suppliers by geographical region		Supplier Management	26	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	G5.1	Supplier Management	26	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	G5.2	Supplier Management	26	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored		Green Procurement Supplier Management	19, 26	

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HKEX ESG Reporting Guide *Aspect and Key Performance Indicators (KPI)*		Nasdaq ESG Reporting Guide *ESG metric*	*Section / Remark*	*Page*	UN SDG
B6 Product Responsibility	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Research and Development, Responsible Commercialization The Group is not aware of any incident of non-compliance that had a significant impact to the Group in the reporting year.	22, 25	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		Adverse Events No recalls in relation to products and services were received in the reporting year. Please refer to the section on Whistleblowing for description of complaint handling mechanism.	14, 27	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with		Whistleblowing No significant complaint was received in the reporting year	14	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights		Intellectual Property	14	
KPI B6.4	Description of quality assurance process and recall procedures		Product Quality and Safety Adverse Events Anti-counterfeiting and Product Traceability	26	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	G7.1	Data Privacy and Security	13	
B7 Anti-corruption	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	G6.1	Sustainability Policies Code of Conduct and Anti-Corruption The Group is not aware of any incident of non-compliance that had a significant impact to the Group in the reporting year.	8, 12	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	G6.2	Whistleblowing No reported legal cases of corruption brought against the Group or its employees that had a significant impact on the Group in the reporting year.	14	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored		Whistleblowing	14	
KPI B7.3	Description of anti-corruption training provided to directors and staff		Employee awareness	13	
Community					
B8 Community Investment	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Community Investment	34	 
KPI B8.1	Focus areas of contribution		Community Investment	34	
KPI B8.2	Resources contributed to the focus area		Community Investment	34	

LIST OF ABBREVIATIONS

Abbreviation	Definition
“ABAC”	Anti-Bribery and Anti-Corruption Policy
“CAPA”	Corrective Action and Preventive Action
"COD"	Chemical Oxygen Demand
“CPHCF”	China Primary Health Care Foundation
“CSCO”	Chinese Society of Clinical Oncology
“CTMS”	Clinical Trial Management System
"EHS"	Environmental, Health and Safety
“EMA”	European Medicines Agency
“ERM”	Enterprise Risk Management
“eTMF”	electronic Trial Master File
“FDA”	U.S. Food and Drug Administration
“FSC”	Forest Stewardship Council
“GCP”	Good Clinical Practices
“GLP”	Good Laboratory Practices
“GMP”	Good Manufacturing Practice
“GSP”	Good Supply Practice
“GVP”	Good Pharmacovigilance Practices
“HCO”	Healthcare Organizations
“HCP”	Healthcare Professionals
“HKEX”	The Stock Exchange of Hong Kong Limited
“Hutchison Sinopharm”	Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Company Limited
“IT”	Information Technology
“IP”	Intellectual Property
“ICH”	International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use
“KOL”	Key opinion leader
“KPI”	Key Performance Indicators
“LTIP”	Long Term Incentive Plan
“MET”	Mesenchymal–epithelial transition
“MHRA”	U.K. Medicines and Healthcare Products Regulatory Agency
“NHSA”	China National Healthcare Security Administration
“NIST”	U.S. National Institute of Standards and Technology
“NMPA”	China National Medical Products Administration
“NSCLC”	Non-small cell lung cancer
“OHS”	Occupational Health and Safety
“PCT”	Patent Cooperation Treaty
“PEFC”	Program for the Endorsement of Forest Council
“PMDA”	Japan Pharmaceuticals and medical Devices Agency
“SDGs”	United Nations Sustainable Development Goals
“SHPL”	Shanghai Hutchison Pharmaceuticals Limited
“SOPs”	Standard Operating Procedures

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